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Egypt on the brink of economic collapse

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Seventeen hurt in Jo'burg bomb blasts

JOHANNESBURG. — Two bombs exploded 20 minutes apart in the centre of Johannesburg yesterday, injuring 17 people, according to the Government Bureau of Information.

But hospital sources said the casualty toll in the two blasts — one at a Wimpy fast food restaurant, the other at the plush President Holiday Inn hotel — was higher, with at least 20 whites and two blacks admitted for treatment.

The lunch-time explosions, which caused chaos in the city centre, followed a series of weekend blasts in the Indian Ocean port of Durban that left three dead and caused considerable property damage. Yesterday's attacks were the first in Johannesburg since the South African government imposed a state of emergency on June 12, and they gave rise to the fear that anti-apartheid guerrillas were intensifying urban warfare in the heart of the country's biggest city.

The bureau of information also reported that two more blacks had been killed in unrest in the past 24 hours, bringing the death toll under the state of emergency to 59.

African National Congress

(ANC) leader Oliver Tambo yesterday held talks with a British government minister amid signs that Prime Minister Thatcher was ready to change her stance on sanctions against South Africa.

Tambo made no comment to reporters as he arrived for talks with Foreign Office Minister Lynda Chalker.

The meeting marked a turning point in British government policy towards the ANC.

Ministers had previously refused high-level contacts with the group unless it renounced violence.

President Reagan said in an interview published yesterday that the South African government had shown willingness to take steps to end apartheid and that he had to believe in President Botha's sincerity.

"At the same time," Reagan told the *Los Angeles Times*, "Botha is faced... with a faction in his own government that disagrees and doesn't go along with what he's trying to accomplish."

"We think the answer has to come from negotiation with some of the recognized black leaders," Reagan concluded. (AFP, Reuters)



Health Minister Motta Gur meets with striking nurses in Jerusalem yesterday. (Isaac Harari)

Worsening of crisis in hospitals feared

By MENACHEM SHALEV

The hospital nurses' crisis appears headed for a drastic escalation today. Despite a plea by Health Minister Motta Gur to Finance Minister Moshe Nissim in a meeting between the two last night, the Finance Ministry is adamant in its opposition to opening wage talks with the nurses outside of the general wage negotiations that began on Monday.

The nurses, who yesterday acceded to a request by the Knesset Labour and Welfare Committee to maintain "minimum staff levels" at the hospitals until 9 a.m. today, say that they will "intensify" the strike action if by that deadline the government has not decided to start wage negotiations with them. The *Jerusalem Post* has learned that the nurses intend to pull out some or all of the nurses who had been left at special jobs in intensive care units, maternity and premature baby wards and emergency rooms. Such an action by the nurses would immediately create life-threatening situations.

The only glimmer of hope lies in a promise reportedly made by Prime Minister Peres to Gur yesterday to reexamine the government's stand on separate wage talks.

Gur, who met briefly with the prime minister in the Knesset yesterday, said that Peres had promised to reply this morning to his request to treat a 1978 government decision to give the nursing profession "preferred status" as the basis for such a decision.

The government has already approved, and the health minister has already signed, emergency back-to-work orders which are ready to be issued should the talks with the nurses collapse. A hearing on a parallel government request for an injunction against the nurses was postponed by the Jerusalem Regional Labour Court until Thursday.

The nurses have said repeatedly that they would disobey any injunctions issued against them. The nurses' action committee has already issued instructions to the 10,000 striking nurses to arrive en masse at prisons around the country "with the necessary personal equipment" should back-to-work orders be issued.

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Decisive talks in Shin Bet case

Full inquiry probable as Inner Cabinet ends meeting

By BENNY MORRIS

Senior ministers and the attorney-general were expected to emerge from the lengthy meeting last night by opting for either a police investigation or a judicial commission of inquiry into the General Security Services (Shin Bet) affair, according to informed sources in Jerusalem.

The sources said that there seemed to be a preference for a police investigation, and that the idea of a "lone investigator," as reportedly desired by Vice Premier Yitzhak Shamir, was dropped at the start of last night's decisive meeting, attended by Prime Minister Shimon Peres, Attorney-General Yitzhak Rabin and Justice Minister Yitzhak Moda'i.

Harish expounded on the various advantages and disadvantages of a police investigation and a judicial commission of inquiry. One of the main merits of a police investigation is that instructions to hold such an inquiry were given to Police Inspector-General David Kraus by former attorney-general Yitzhak Moda'i.

Kraus and Harish postponed carrying out those instructions for the past three weeks while Harish studied the case.

A major sticking point at last night's meeting, which wound up just after midnight, was whether Shin Bet chief Avraham Shalom and four or five of his assistants should be suspended from duty for the duration of the investigation. It is normal in police inquiries that persons under investigation for serious crimes be suspended pending a decision.

Harish plans to announce his decision this afternoon.

One of the major points of conflict between Zamar and the inner cabinet, before Harish replaced Zamar, was the former attorney-general's demand that Shalom be suspended.

A police inquiry would relieve the ministers and Harish of the need to formulate exact terms of reference for the investigation. Zamar's instructions to the police were to investigate the allegations by three ex-Shin Bet senior officers that Shalom and his assistants mounted a systematic cover-up of the GSS's part in the killing of two captured Arab terrorists after the Tel Aviv-Ashdod bus hijacking in 1984. The cover-up allegedly included perjury and falsification of evidence before

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Pretoria orders Israeli journalist to leave S.A.

Jerusalem Post Reporter

Israel has instructed its embassy in South Africa to seek official clarification of Pretoria's decision to expel *Ha'aretz* correspondent Dan Sagor, a Foreign Ministry spokesman said yesterday.

Sagor, 30, who has been writing features from South Africa for *Ha'aretz* for the last year, and who also reports for Army Radio, was yesterday given until tomorrow to leave the country. However, Sagor told *The Jerusalem Post* in a telephone call from Jerusalem last night that he had later been given permission to stay until Saturday night.

The reporter, who is also doing research for a doctorate in South Africa, told *The Post* that his regular application for an extension of a work permit had been refused, and that he had been told to leave. No reason for his expulsion had been given.

"Obviously, though, they didn't

approve of my writing — the commentary and criticism of South African affairs. They can't claim that I distorted facts, because I was a feature writer, not a hard news reporter."

Sagor is the first Israeli journalist to be expelled from South Africa and the third to be ordered to leave since the government imposed a state of emergency on June 12.

Reliable sources told *The Post* last night, however, that it was doubtful Sagor had been expelled because of his work as a journalist. Had that been the case, he would have been given notice to leave, under South Africa's newly imposed emergency regulations, by the Bureau of Information, which deals with press matters.

The fact that the Ministry of Interior was responsible for his expulsion, by refusing to extend his residence permit, indicated other causes.

UK banker: Don't let Recanati affair obscure basic issues

By PINHAS LANDAU

Post Finance Reporter

Andrew Etherington, senior representative of the London-based Barclays Bank International and deputy-chairman of Barclays Discount Bank, has warned that Israeli banking must urgently tackle its serious underlying problems and not be distracted by other issues such as

Late last night Discount Bank

announced that it had received a copy of a telegram sent yesterday to Prime Minister Peres by Baron Edmond de Rothschild, an old friend and business partner of the Recanati family, warning that Recanati's dismissal could hurt foreign investment in Israel.

the future of Discount Bank chairman Raphael Recanati.

If the banking system failed to look to the future, and instead wallowed in the mistakes of the past,

Etherington noted, it risked losing the gains made in its international credibility over the last two years of economic recovery.

Etherington and other senior executives of the giant British bank are in Israel for a board meeting of Barclays Discount, which is a jointly-owned venture between Israel Discount Bank and Barclays International and one of the most profitable banks in the economy.

The meeting was scheduled some time ago, and Etherington and his colleagues had no idea they would arrive in the middle of the furor surrounding Raphael Recanati, their bank's partner and the head of the Discount group.

In answer to questions from *The Jerusalem Post*, Etherington said that he saw no reason why developments in Discount Bank should affect the long-standing relationship between the two banking groups.

Etherington was concerned with

(Continued on Page 2, Col. 2)

Left-wing MKs angry at being left out

Shilansky scouts Mea She'arim mood

By HAIM SHAPIRO

Jerusalem Post Reporter

The chairman of the Knesset Interior Committee, Dov Shilansky, yesterday took his own private tour of Mea She'arim to ascertain that "hardcore" don't have horns. But he also found that not everyone in the ultra-Orthodox quarter of Jerusalem loves him.

The tour, which Shilansky described as a "preliminary visit" before a tour by the full committee, included MKs Avraham Verdiger of Agudat Yisrael, and Benny Shalit and Ovadia Ali of the Likud. Earlier, Shilansky had cancelled a scheduled visit by the entire committee because the police insisted on accompanying it.

In geographical terms, the visit started far from Mea She'arim in the neighbouring (and generally less religiously extreme) quarter of Geula, where the Knesset members met with such figures as Rabbi Naftali Halberstam of the ultra-Orthodox Eda Haredit rabbinical court and Rabbi Yehoshua Sheinberger, the community's expert on health matters.

A surprise guest at the small flat of Rabbi Nahum Cohen, where the meeting took place, was Rabbi Zalman Brissel, who is regarded as very close to Natorai Karta.

The octogenarian rabbi, dressed in the gold and black striped caftan of Jerusalem Hassidim, recalled that during the days of the Turks economic conditions were very bad, but Jews loved other Jews. "Not just our kind, but everyone."

Shilansky, too, did his best to minimize differences and to stress the points of mutual understanding, but it was Verdiger who pinpointed the differences which, he said, dated back to the time of Herzl, if not Moses Mendelssohn, who broke with Orthodoxy in 18th century Germany.

"Zionism is bankrupt," he said. "When the young people find the going a bit rough, they leave the



Knesset Member Dov Shilansky (second from left) was all smiles during a "journey of discovery" in Jerusalem's Mea She'arim quarter yesterday despite the critical reception he was given by some residents. On left is Ovadia Ali, one of the three Interior Committee members who accompanied Shilansky, the chairman of the committee. (Rahamim Israeli)

country. The young people of Mea She'arim won't leave the country, and even if they do, they will still remain Jews, while your young people are lost to the Jewish people."

But the real show only began when the MKs left the flat and began making their way down the street towards Mea She'arim. Like an Eastern European gvir (Jewish aristocrat), Shilansky strode along, surrounded by photographers, newsmen and TV crews, exchanging greetings with the crowds.

"You see, we don't need police protection," Shilansky said, asking

where he could find a taxi to take him and his colleagues back to the Knesset.

"Wait, you haven't even got to Mea She'arim yet," the journalists told him, referring to the relatively small walled neighbourhood that constitutes the original quarter. In fact, Shilansky never got to the quarter proper; it was while he was in an electric appliance shop that a small group of old-fashioned, virulently anti-Zionist demonstrators caught up with his party.

Bearing a sign that read "Cursed are those who come from the unclean house of the Zionists," the demonstrators stood by silently, shielding their faces from the cameras. But after the MKs accepted an invitation to visit the offices of a charity in the nearby Batei Ungarn, they became vocal.

"Get out of here," they chanted in Yiddish, as over 100 onlookers stood by silently. A few onlookers tried to argue with the demonstrators, telling them Shilansky was one of the "good MKs," but to no avail.

The demonstrators, and a large group of sympathetic onlookers, fol-

(Continued on Page 2, Col. 2)

New Syrian tank move 'displeases' Israel

By AVI HOFFMANN

Post Defence Reporter

Israel is displeased that the Syrians have deployed four tanks near Masha'ra in Lebanon's eastern Beka'a Valley, military sources told *The Jerusalem Post* last night.

The Syrian tanks have been in place for a week and are meant to bolster support for pro-Syrian militias in their conflict with the radical Shi'ite force, Hizbollah, the source said. The Syrians sent commanders to the area two weeks ago to reinforce the militias.

Radio Free Lebanon broadcast on Monday that Damascus had moved armour to the area but gave no details. Kuwaiti newspapers published similar reports recently adding that the Syrians intended to boost their tank force in the area to brigade strength.

Observers noted that, as long as the Syrians restricted their deployment to commando movements that was one thing, but the deployment of even a few tanks was another matter. They said Syrian armour had been placed south of the so-called "red line" marking the area that Damascus would not cross, according to unwritten agreement reached after Israel's withdrawal from Lebanon.

It was also noted that the Syrian tanks were coming closer to the area north of the South Lebanese Security Zone, where Damascus had prepared the infrastructure for deploying armoured units. News of the emplacements was revealed by the IDF spokesman in the middle of last month, when it was stressed that the infrastructure was not manned and posed no imminent threat. At the time it was also pointed out that if the Syrians did deploy tanks in these emplacements, this would be regarded as a grave move by Israel.

Jerry Lewis adds from London: Syria is seeking support from neighbouring Arab states for a limited war against Israel on the Golan Heights later this year, according to moderate Arab sources quoted in today's *Jane's Defence Weekly*.

One of the states approached, Jordan, is said to have resisted Syrian pressure to provide military forces, but is said to be considering diplomatic support for the venture.

Syrian officials and military officers are said to have visited a number of Arab capitals including Tripoli and Amman in recent weeks.

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The weather at major Swissair destinations

	MIN.	MAX.	
AMSTERDAM	15	22	Cloudy
BIRMINGHAM	15	22	Cloudy
BUSINESS AIRS	15	22	Cloudy
CHICAGO	15	22	Cloudy
COPENHAGEN	15	22	Cloudy
FRANKFURT	15	22	Cloudy
GENEVA	15	22	Cloudy
HELSINKI	15	22	Cloudy
HONGKONG	15	22	Cloudy
JERUSALEM	15	22	Cloudy
LONDON	15	22	Cloudy
MADRID	15	22	Cloudy
MONTREAL	15	22	Cloudy
NEW YORK	15	22	Cloudy
OSLO	15	22	Cloudy
PARIS	15	22	Cloudy
RUDELSBERG	15	22	Cloudy
STUTTGART	15	22	Cloudy
TOKYO	15	22	Cloudy
ZURICH	15	22	Cloudy

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THE WEATHER

Forecast: Partly cloudy to clear

	Yesterday's	Yesterday's	Today's
	High/Low	High/Low	High/Low
Jerusalem	41/24	41/24	41/24
Golan	41/24	41/24	41/24
Nahariya	41/24	41/24	41/24
Haifa Port	41/24	41/24	41/24
Tiberias	41/24	41/24	41/24
Nazareth	41/24	41/24	41/24
Afula	41/24	41/24	41/24
Shimon	41/24	41/24	41/24
Tel Aviv	41/24	41/24	41/24
B-G Airport	41/24	41/24	41/24
Jericho	41/24	41/24	41/24
Gaza	41/24	41/24	41/24
Beersheba	41/24	41/24	41/24
Elitz	41/24	41/24	41/24

SOCIAL & PERSONAL

The Haifa Rotary Club is to hold its annual president's night in the Shulamit Hotel at 8 o'clock tonight.

A discussion on "What Makes Music a Jewish Value" is to be led by Pinna Peli following this evening's 7 o'clock performance of Tofa'ah at the International Women's Music Festival at the Levine Community Centre, Shechuna Dalet, Beersheba. The discussion is sponsored by the Blechner Chair in Jewish Values of Ben-Gurion University.

The Jerusalem Rotary Club will hold a luncheon at the YMCA at 1 o'clock today. Visiting Rotarians are welcome.

ARRIVALS

Australian WZO President Nelly Weiss, British WZO Chairman Brenda Kamen, Canadian Hadassah-WZO National President Cecily Pines and former French WZO President Gilbert Dijen, to participate in the Jewish Agency Assembly and Zionist Executive meetings.

Ariel Fliedler (England), Solly Sachs (S. Africa), Joseph Weingarten (Argentina), Kurt Rothchild (Canada), Benjamin Sayada (France), Beverly Segal, Roselle Silberstein, Yaela Gordon, Ruth Jacobson, Edith Agus (U.S.), Julius Spokony (Germany), for World Mizrahi-Hapoli Mizrahi study days at Kibbutz Lavi, Zionist Executive sessions and Jewish Agency Assembly.

The following World Labour Zionist leaders, to participate in the World Bureau meetings of the Labour Zionist Movement, the Jewish Agency Assembly, and the Zionist Executive meetings: from the U.S. - Ben Cohen, federation chairman; Ezra Spiceland; Elyse Rosenfeld; Gloria Elting, Na'amat president; Phyllis Suker; Irving Sorek; Isaac Hamlin, from Canada - David Kosky; Florence Simon, from England - Ian Mikado MP; Sue Tree, from Australia - Hava Rider, Na'amat president; from France - Jean Pierre Allali; Jean Michel Rosenfeld; Samuel Sener, from Brazil - Boris Blinder, federation chairman; Anna Leitel, from Uruguay - Dagoberto Kacela; Zvi Marcus, from Argentina - Oscar Haiman; from Israel - Yoram Gazit, Na'amat president; from Holland - Hansel Weisberg, federation chairman, from South Africa - Moddie Friedman, federation chairman.

David B. Herstein, International Campaign chairman of Israel Bonds and International co-chairman for Tourism of the Operation Independence Task Force, for meetings of Task Force, and meetings with Prime Minister Shimon Peres, Foreign Minister Moshe Nisim and Tourism Minister Avraham Shari.

IN BRIEF

Volunteers raped

HAIFA. - Two British kibbutz volunteers in their 20s were gang-raped by three men on Haifa's Bat Galim beach before dawn yesterday.

Kiev Jews arrive

A family of four Jews from Kiev arrived in Israel yesterday. They were the first immigrants from that city since the Chernobyl nuclear disaster.

Unifil man wounded

One Dutch Unifil soldier was wounded and another went into shock yesterday when their jeep hit a land mine near the village of Bint Jbail in South Lebanon.

Court protects trees

The High Court of Justice issued a temporary injunction yesterday forbidding the agriculture minister, the defence minister and the Israel Lands Authority from demolishing houses or uprooting trees in al-Bitva near Ramallah.

Terrorist's reserve duty

Defence Minister Yitzhak Rabin said yesterday he would check reports that Ya'acov Heineman, a recently-released Jewish terrorist, might be reinstated as a flight instructor in the IDF reserves.

LOTTO. - In yesterday's national lottery draw, the following numbers were picked: 12, 19, 21, 23, 30, 42, and the additional number, 17.

No decision to stop Australian purchases

Shahal defuses 'coal crisis'

By BERNARD JOSEPHS

Jerusalem Post Reporter

Energy Minister Moshe Shahal yesterday defused the "coal crisis" with Australia, when he told the Australian ambassador that directives ordering an end to coal purchases from his country were issued due to a "misunderstanding."

Officials were yesterday trying to discover how - and by whom - the directives were issued.

Envoy Robert Merrilees said Shahal assured him during their meeting yesterday that no decision had been taken to stop buying Australian coal for the Hadera power station.

"It was a constructive and reassuring meeting," he said.

The row over the coal contract, worth around \$20 million a year, has been festering for several weeks and was the main reason Australian officials failed to attend last Thursday's annual meeting of the Israel, Australia and New Zealand Chambers of Commerce in Tel Aviv.

Matters reached a head on Monday night when Merrilees and senior embassy officials registered their "shock and amazement" at the apparent decision to terminate the long-term agreement. They said its cancellation would wipe out two-thirds of their country's exports to Israel.

Yesterday the ambassador said: "The minister explained that the issue had arisen because of the drop in the price of oil. He told us in no uncertain terms that he was responsible for finding the cheapest source of energy for his country."

"But at the same time he said there was no government decision to stop buying our coal or to terminate the contract between Israel's National Coal Supply Corporation and one of our mining companies."

"He said the directives to stop the imports were the result of a misunderstanding within his ministry, but did not go into detail about how this had happened."

The envoy said that he was happy with Shahal's assurances, but added:

"We will monitor the situation very carefully" and exercise "a great deal of vigilance."

Energy Ministry spokesman Avishai Amir said Shahal explained that Israel had to consider falling oil prices and was working to find a "fair solution" to the problem of coal trade.

"The minister said that the continuation of good trade relations with Australia was very important for us. He told the ambassador that when the coal-fired power station at Ashkelon comes into operation in 1989 we will double our purchase of coal and Australia is seen as a primary source."

Israel began importing coal from Australia in 1981, when it purchased 175,000 tons. In 1985 the figure rose to 577,000, in the first half of this year, 500,000 tons were purchased.

Meanwhile, an informed source said yesterday that, while Israel considers Australian coal to be fairly priced, it is unhappy with the cost of shipping it here.

Fierce debate expected today

Knesset up in arms over new rules on converts

By ASHER WALLFISH

Jerusalem Post Reporter

The Interior Ministry's plan to distinguish in the particulars of a person's identity card between "nationality: Jewish" and "nationality: Jewish (by conversion)" is expected to spark a fierce argument in the Knesset plenum this afternoon. Several motions for the agenda have been submitted.

After the Interior Ministry asked Knesset Speaker Shlomo Hillel to block the motions, on the grounds that the High Court hearing in the case of a Reform Jewish convert renders the entire issue *sub judice*, Hillel replied that the debate could take place, but MKs would have to restrict themselves to generalities.

The chairman of the National Religious Party faction, Zevulun Hammer, issued a statement in the lobby yesterday, severely condemning the Interior Ministry's proposal. He said that any addition to the category "Jewish" contradicts the purpose of the law.

He said that the strict halachic prohibition against hurting the feelings of a convert totally outweighs any possible positive result of stipulating that conversions must conform with the halacha.

The "Committee for the Unity of

the People," which has been fighting for the past 16 years to amend the Law of Return to recognize only halachic conversions, yesterday sharply criticized the Interior Ministry's proposal.

"Rabbi Peretz has dared to do what the former minister, Dr. Yosef Burg, never dared: he has in effect legitimized Reform conversions. From now on, a conversion performed by Rabbi Peretz will be equal to a conversion performed by Rabbi Schindler (the leader of the American reform movement). We will never permit it to come about."

Arye Dulzin told *The Jerusalem Post* that Prime Minister Peres had agreed to place the issue on Sunday's cabinet agenda. Dulzin pointed out to the prime minister that such an act by the government "is contrary to the spirit of the covenant" between the government and the World Zionist Organization. According to the covenant, government policy decisions affecting matters of concern to Diaspora Jewry are to be discussed in advance with the WZO leadership.

Peretz's order, Dulzin said, "is an effort to circumvent the Law of Return, and will only widen the rift between Israel and Diaspora Jewry, especially the American Jewish community."

Hebrew U. remembers

Aziz Shehadeh

Jerusalem Post Reporter

Aziz Shehadeh, the leading West Bank lawyer who offered a plan for the establishment of an independent and friendly Palestinian state during the Six Day War, was remembered yesterday at the Hebrew University's Truman Institute.

It was the first time an Israeli academic institution had extended such an honour to a Palestinian, said Raja Shehadeh, the son of the former Ramallah-based attorney, who was murdered outside of his home on December 3, 1985.

The memorial represented a "step forward" towards the realization of Shehadeh's vision of mutual acceptance and national recognition of the national rights of Palestinians and Jews, said the younger Shehadeh.

"I think it proves his success," Shehadeh added. "They are honouring him for being a proud, honest Palestinian, not a collaborator."

The gathering of about 75 people, which included academics, diplomats and family, took place on what would have been Aziz Shehadeh's 74th birthday.



Aziz Shehadeh

"Aziz's death was the end of an epoch," said Dan Bavi, a friend of Shehadeh's for nearly 20 years. Bavi recalled how he and David Kimche, now director-general of the Foreign Ministry, met Shehadeh as IDF officers on the fifth day of the war, when the Israelis were trying to broadcast from the Ramallah radio station.

"Dan and I almost hugged him in his house in Ramallah," Kimche recalled. "We were scruffy looking, with Uzis at our sides. It wasn't exactly the way to begin a long friendship."

Aziz, who "seemed to be waiting for us," as Bavi remembered, presented the officers with a two-page memorandum. The document proposed the immediate formation of a Palestinian council and constituent assembly, which would negotiate with Israel for the establishment of an independent and friendly Palestinian state within borders described in the 1947 UN partition plan.

Shehadeh's masterly proposal, which he promoted with great urgency, stalled within the senior levels of the Israeli government and never bore fruit, Bavi asserted.

Still, it remains a unique document in its call for a Palestinian state which also would recognize Israel, Bavi noted.

"At no other time before or since has a Palestinian figure like Aziz come out with such a public document acknowledging Israel's inalienable right to exist," Bavi said.

TV staffers reject

'civil servant' status

By GREER FAY CASHMAN

The Israel Broadcasting Authority will push for an amendment to the Broadcasting Authority Law which will exempt IBA staff regulations applying to civil servants. The law has not been revised for 20 years.

IBA Director-General Uri Porat said last night that it was absurd to lump IBA personnel in the same class as tax collectors or postal workers. Irregular working hours and frequently difficult conditions put television and radio crews in a different league from civil servants.



Geriatric patients lined up in a corridor of Jerusalem's Sha'arei Zedek Hospital on the second day of the hospital nurses' strike. (Rahumim Israeli)

Situation 'critical' in geriatric and psychiatric hospitals

Grim day for patients and doctors

By MENAHEM SHALEV

On the second day of the nurses' walkout the situation in most hospitals remained difficult, despite the striking nurses' agreement to post one nurse in each department.

The director-general of the Health Ministry, Prof. Dan Michaeli, told *The Jerusalem Post* last night that the situation was "very tense" and had reached a "critical" point in some hospitals. Psychiatric and geriatric hospitals were especially hard hit, and many of their directors predicted an imminent collapse if the strike continued.

President Chaim Herzog, on a visit to Sha'arei Zedek Hospital in Jerusalem, yesterday called for an immediate end to the strike "lest it caused a tragedy."

Herzog said he very much regretted that, in recent years, a basic consensus seemed to have broken down in the country, and people had become indifferent to the suffering of others.

"I can't get into the dispute itself. For all I know, all the sides may be right. But I have one request from all the sides: Please don't carry on your fight at the expense of the patients."

Doctors, who have been performing nurses' tasks, were straining to keep up with a greatly increased workload. Dr. David Shoshani at Ichilov Hospital in Tel Aviv said, "We are falling off our feet."

Some hospitals recruited volunteers to replace nurses. Voluntary organizations also offered to supply medication for those who could not get it at the hospitals. Out-patient and day clinics continued to be almost totally deserted.

Nurses at Ha'Emek Hospital in Afula and at Carmel Hospital in Haifa, who on Monday had remained at their posts, joined the striking nurses yesterday. However, administrative and clerical workers at Ha'Emek, who had left their posts on Monday, called off their strike yesterday. The hospital sent home half of its patients yesterday.

Despite the deepening crisis, there was no report of any loss of life resulting from the strike.

Elderly patients who could not be discharged and didn't have relatives to help them suffered most of all. Rachel Dreihorn, a 74-year-old patient at Ichilov, said: "This is like Sodom and Gomorrah. You can shout 'nurse, nurse' till you're blue in the face. I nearly froze to death last night because no one had distributed blankets."

Rivka Vered, at her mother's bedside, told *The Post*: "People are losing their human dignity." She pointed to a nearby patient, "She is a very cultured lady, who used to be one of the finest teachers in the country. She keeps on crying out for her bedpan, but to no avail."

At Soroka Hospital in Beersheba, nurses agreed to post larger staffs during the night. The situation in the hospital was described as "intolerable." The directors of the hospital said that medical services would collapse within 24 hours.

At Hadassah Mount Scopus a post-operative patient's life was saved by his private nurse who called for help after the patient developed heart trouble. Most patients, of course, could not afford a private nurse.

At Assaf Harofe Hospital in Tzrifan even relatives did not show up. "Maybe they are afraid that we will tell them to take their relatives home," said Dr. Mordechai Vernon, director of the hospital.

Twelve babies were born at Hadassah Ein Kerem yesterday, including twin girls born to a hospital employee.

Patients were increasingly edgy as the strike dragged through its second day. An elderly patient told *The Post*: "If you are a journalist you must write that all those dealing with the strike should get off their high horses."

I think that the minister of health, the secretary-general of the Histadrut and all those other big shots should come here and help for 12 hours. I can promise you that if they did the strike would be over very quickly."

Knesset to mark Waldheim

inaugural watching Shoah

By ASHER WALLFISH, Post Knesset Correspondent, and Agencies

The Knesset will hold a full screening of Claude Lanzmann's film *Shoah* on July 8, the day Kurt Waldheim is installed as president of Austria at a state ceremony in Vienna, the Education Committee decided yesterday.

The committee said there was no better day to remind the world of Nazi crimes.

In Vienna a Foreign Ministry spokesman reported yesterday that the Austrian government was pleased with congratulatory telegrams Israeli leaders sent to the new Austrian chancellor and foreign minister.

Prime Minister Peres on Monday congratulated Chancellor Franz Vranitzky on taking office, and Foreign Minister Yitzhak Shamir sent a similar cable to his Austrian counterpart, Peter Jankowitsch.

In another development, the Vienna independent newspaper *Die Presse* yesterday reported that the U.S. Ambassador to Austria, Ronald Lauder, planned to be on holiday on July 8 and would be represented by a deputy at Waldheim's inauguration.

Lauder said he planned to attend the birthday celebrations of his mother, Estee, founder of a cosmetics firm, in France.

Austria's ambassador to Washington, Thomas Klestil, told *Die Presse* that Lauder's absence would be "an affront."

IAI say no more bugs in F-16 wings

By HIRSH GOODMAN

Post Defence Correspondent

Israel Aircraft Industries say they are confident they have overcome the production problems on the F-16 wing being manufactured under licence for General Dynamics. *Forbes Magazine* reported recently that wings sent to General Dynamics by the IAI had had to be returned.

An IAI spokesman confirmed to *The Jerusalem Post* yesterday that two sets of wings were sent back several months ago after a faulty machine drilled holes in the wrong place. The error, it has been learned, slipped by both IAI and GD quality inspectors, the latter being based in Israel to oversee the \$20 million project that calls for the total production of 300 sets of wings.

MIDDLE EAST

Lebanese troops

deploy in camps

BEIRUT (Reuters). - Lebanese troops deployed yesterday at two Beirut refugee camps in the first apparent success of a Syrian-mediated truce to end over a month of fighting that has cost at least 150 lives.

Some 150 soldiers from the Shi'ite Muslim Sixth Brigade moved into observation posts around the Bourj al-Barajneh and Shatilla camps where Palestinian defenders have battled Shi'ite Muslim Amal militia-men.

The move was the first sign of success for a truce signed June 14 in Damascus to end the bitter fighting at Bourj al-Barajneh.

Official Iraqi paper

lashes out at Assad

Jerusalem Post Middle East Staff

BAGHDAD. - The ruling Iraqi Ba'ath party newspaper *Al-Thawra* made a scathing attack on Syrian President Hafez Assad yesterday, thwarting efforts by moderate Arab leaders to reconcile the two nations.

The article said that the only way to confront Assad's "blackmail alliance with the Iranian enemy" was to isolate him.

The anti-Assad blast comes at the same time as attempts by Jordan's King Hussein to foster a rapprochement between Iraq and Syria.

Assad has sided with non-Arab Iran since the Gulf War between Iraq and Iran began in 1980. Iraq and Syria have a long history of political and ideological differences.

The Herut Zionist Organization of America expresses deep sympathy to the family of

DEPUTY PRIME MINISTER DAVID LEVY

on the passing of his father,

MOSHE LEVY

Hart N. Hasten President

Hart and Mark Hasten and their families of Indianapolis, Indiana, express their deepest sympathy to

Deputy Prime Minister of Israel David Levy

and his family on the passing of his father,

MOSHE LEVY

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Corn on the cob	1 kg. 0.65

היפרקול

Two reports on Arab states hard-pressed by economic troubles

Suffering from an excruciating debt headache

YA'ACOV LAMDAN

FOR ALMOST six years Iraq and Iran have been fighting, causing endless blood-letting of both personnel and economic resources. The destruction and economic paralysis suffered by Iran at the hands of Iraq are far greater than the damages inflicted by Iran. Yet the situation in Iraq is much worse.

Neither Iraq nor Iran tells the truth, and therefore it is difficult to know what is really happening. But what is clear is that the two countries are completely drained. Even if we believe Iraq's army press releases that Iranian losses are three to four times those of Iraq, we have to remember that Iraq's population is only a third of Iran's 45 million.

The economies of both countries have been badly damaged. Iran's economy has been hurt by the Iraqi air force's repeated and massive bombings of economic targets, particularly oil fields. But Iraq also has sustained severe economic damage. Syria has served as a passive ally to Iran, blocking the flow of Iraqi oil through the country, draining millions of dollars from the Iraqi economy each year.

Recently, relations between Iraq and Syria have improved with King Hussein's help. The propaganda war between the two has ceased, and a meeting between their foreign ministers has been set at a location on the Iraq-Syria border. Iraq hopes that Syria will permit Iraqi oil to pass through its territory to the port of Latakia on the Mediterranean, but this agreement alone would not be enough to make a dramatic change in Iraq's economic situation.

Kathy Evans, a reporter for the *Financial Times* of London who recently visited Baghdad, described the economy of Iraq in vivid terms. According to Evans, Iraq is unable to pay its debts, even after receiving in 1983 an extension of three years. Iraq is now asking the lending countries to agree to an additional extension. Debts now amount to \$15 billion.

Iraq's large debt is not only the result of the war, but also of the insistence of President Saddam Hussein on continuing the development projects which characterized Iraq in the '70s.

The end of the '70s and the begin-

ning of the '80s were the years of the great profits for the Opec countries. When Hussein asked for support from Saudi Arabia and the Persian Gulf states, at first for millions, and then billions of dollars, they responded generously, particularly when he explained that in this war, he was defending the Persian Gulf states from an Iranian invasion.

When the short-term debts came due in 1983, Iraq asked for an extension of several years in the hope that three processes would take place to help relieve the burden: first, the end of the Iraq-Iran war; second, an increase in Iraqi oil production; third, another increase in the price of oil. But the war continues and in fact has escalated; oil production hasn't

'Opec decided on a production cap and prices have declined by 50 per cent. For an oil-based country like Iraq, this is a catastrophe'

increased since Opec decided on a production cap, and prices have declined by 50 per cent. For an oil-based country like Iraq, this is a catastrophe.

Currently, Iraqi economic representatives, and representatives of the creditors, are holding talks aimed at rescheduling Iraq's debts. But in spite of the special consideration given Iraq by its creditors, the Persian Gulf states have refused to grant additional loans when the chances of their being repaid are doubtful. This is particularly the case when loud voices in Iraq are heard demanding that these loans be turned into grants for the joint victory against the Iranian enemy.

As a result of the debt crisis, Iraq is suffering from a lack of foreign currency, and a resulting cut in imports. Many Western countries are nervous about providing continued credit for exports, fearing that Baghdad will not be able to pay its debts as a result of the continuing war and the fall in oil prices.



A craftsman working on a brass tray. He will work a month to finish one this size. Centre: Mother and children under a family planning poster. At right, mud and straw bricks, still used in Nile delta villages. One of Egypt's major problems is low productivity. It now imports half its food.



(Richard Leibel, Richard Nowitz, Nat Suttles)

'If Egypt were a limited company, it would be declared bankrupt'

On the verge of collapse

EGYPT IS veering towards financial ruin and could be bankrupt by autumn, Western economic experts based in Cairo say. They maintain that Egypt is already having trouble paying its share of projects largely financed by European aid and that the country may have no choice but to face a multi-lateral rescheduling of its foreign debt.

Egypt's foreign debt totals about \$30 billion. In past years, the government was able to service the debt and pay for foreign imports with hard currency earned from oil sales, Suez canal revenues and tourism.

Since last year all foreign currency sources have been in trouble, and Western economic experts predict that the foreign currency financing gap will be bigger this coming financial year than at any time in the past 15 years.

U.S. sources indicate that because of budget restrictions in the U.S., Washington is unlikely to make up the gap either in cash or commodities as in previous years.

"If Egypt was a limited company, it would be declared bankrupt," says one Western diplomat. "The question is how long they can struggle along. I think they'll have no choice but to reschedule their debt."

In the past, Egypt has resisted a multi-lateral rescheduling of its fore-

ign debt probably because it feared a loss of sovereignty.

"The last time they got over their heads in debt," notes one diplomat, referring to the 19th century when the British were invited to help. "They lost control of the country for 70 years."

The government is still opposed, sources say, to a multi-lateral rescheduling. But recently, there has been an apparent change in attitude toward the International Monetary Fund, which has been insisting on broad economic reform as a condition for a stand-by credit arrangement. Until now, Egypt has refused to give in to the IMF demands for reform, mostly out of fear of widespread social unrest once the population begins to feel the effects of austerity. The IMF, in consequence, has not issued the credit.

Several weeks ago, an IMF team arrived in Egypt to research the Fund's annual country report. Government-owned newspapers claimed that the IMF was already discussing with officials the projects it would help boost.

Members of the IMF team were not available for comment, but Western diplomats say the team is here for the study only and not to negotiate credit.

Nevertheless, Egyptian officials

JANE FRIEDMAN
Cairo

are indicating in public statements that they are finally ready to institute the reforms demanded by the IMF. Among these reforms are a cut in food and other subsidies which cost the government more than \$2b. a year, a unification of exchange rates, a ban on certain imports and an improvement in the profitability of the public sector.

Egypt's main problem is not that its debt is high, but that its productivity and exports are low. The bulk of industry lies in the public sector which is overstaffed and under productive. Because of food subsidies, agricultural production has fallen and Egypt now imports half its food.

Until now, expenses have been covered with oil exports and other foreign currency earners. Even in the current financial year, which ends June 1986, Egypt ended up with only a \$1.5b. shortfall in foreign currency finance. While tourism, Suez canal tolls and oil revenues remained at acceptable levels during 1985, imports were cut by 10 per cent in the last half of last year.

Now harder times loom. Oil sales dropped seriously in January and, by April, Egypt was selling hardly any oil. According to Western analysts, the country is losing \$150 million in oil revenue a month, or \$1.5b. per year.

Western analysts vary in their projections for the financial year beginning this month, some predicting a \$2.6b. financing shortfall and others as much as a \$4.5b. gap. According to one Western expert, Egypt's foreign currency needs in the coming year will total \$14.5 b. and foreign currency earnings, including foreign aid, may reach only \$10b.

Already the government is adjusting. During the holy month of Ramadan, imports of nuts and dried fruits, a holiday staple, were stopped. The expected compensation due to hotels burned out during February's riots has not materialized and foreign creditors are now overdue \$1b.

Western analysts say that many aid projects which involve Egyptian participation are in trouble, including the massive Cairo waste water project, being financed by Britain.

Last September, British Prime Minister Margaret Thatcher inaugurated the project which will install a modern sewage system in a large part of Cairo.

Britain's part of the project totals \$750m. in low cost credit. But the Egyptians are having difficulty making their local payments and the original blueprint for the project may have to be reconsidered as a result.

The French report that all of their projects involving Egyptian down payments are being delayed. But some Western diplomats are not pessimistic. A U.S. diplomat notes that Egypt can cut imports further and that oil prices could rise. Also, the government has just issued tax-free dollar bonds, hoping to raise new foreign currency.

Cairo is still hoping that Washington will waive at least part of its \$4.7b. military debt, incurred when U.S. aid was in loans not grants. Reliable sources say that Washington is beginning to treat the request seriously.

But other diplomats here expect that times may be so difficult in the coming year that President Hosni Mubarak will have no choice but to accept a multi-lateral rescheduling of debt.

"We will have to find a solution," says one Western diplomat. "Egypt will be bankrupt between September and December unless oil is up to \$20 a barrel."

London Observer Service

Life is the same all over

Reporter Yosef Goell finds the tensions and concerns in an Arab comprehensive secondary school familiar, with parents disagreeing on education but showing a readiness to sacrifice for their children.

DURING the week that Jewish Israel was immersed in the religious-secular split I visited the comprehensive secondary school in the Moslem Arab village of Baka el-Gharbieh at the entrance to Wadi Ara. After a two-hour long tour d'honneur of the developments in the school, I asked principal Jamil Ghanayem what his main immediate problem was.

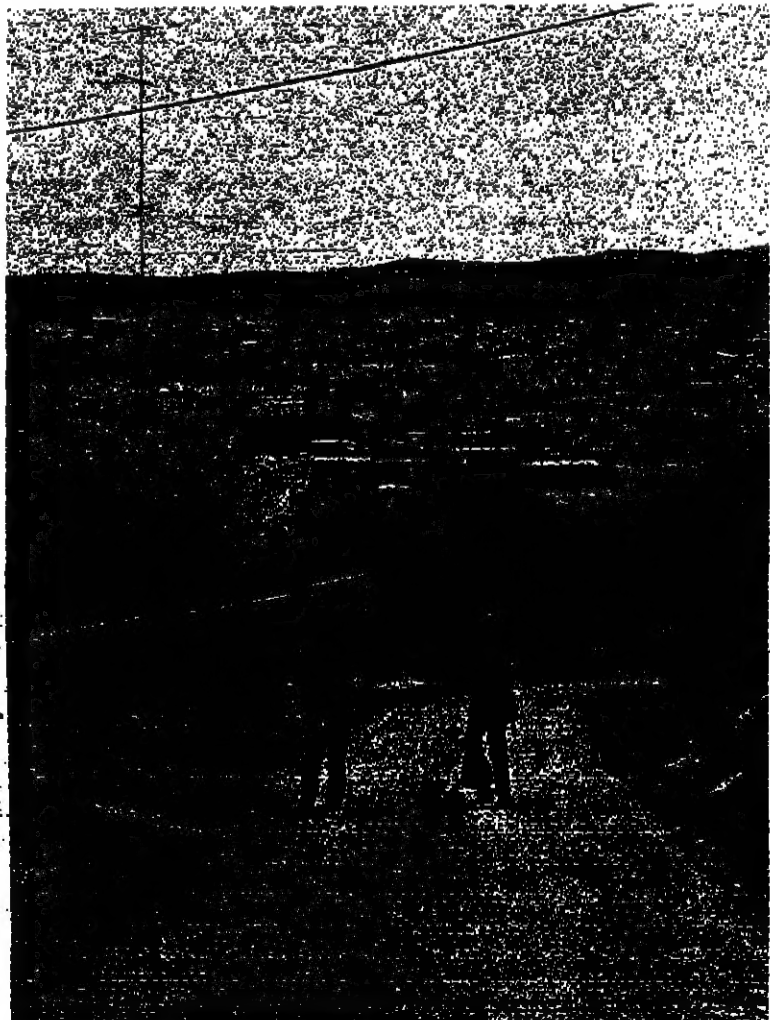
"The *muladiyin* (the newly observant, or the Moslem version of the Jewish *hazrim bishuva*)," he answered, without hesitation.

I was somewhat surprised by his choice of problem, because when I had come to interview him, Ghanayem and the school secretary were on their knees in prayer. I had noticed a sprinkling of girl students in the observant *shura* dress of head covering and floor-length unadorned dress, but they were a minute number among the many hundreds of girls in the school yard who were wearing an assortment of jeans and colorful T-shirts and blouses.

Jamil readily agreed that the newly observant parents were relatively few in number, "But they are persistent. Because most of the other parents don't care that much they have succeeded in taking over the parents' committee. What they are demanding at present is that all the girls be made to wear the standard observant dress, or at the very minimum a skirt over their pants. What they are really aiming at is to divide the school into separate schools for boys and girls, which is a budgetary impossibility, but that doesn't stop them from pressing for it."

Others in the village told me that Ghanayem was "a worrying type." But his concern can certainly be understood as the result of being subjected to persistent pressure by the newly observant. He smiled ruefully at the obvious similarity to what was happening on the Jewish scene, but added that he and most of the villagers were not anti-religious, but traditional. "The trouble with the *hazrim bishuva* (he used the Hebrew phrase) was that many of them were former drug users and other anti-religious types who had now returned to religion and insisted on being holier than the pope."

The talk with Jamil and with several teachers yielded a picture of impressive educational progress in this village of 12,000, with most of the problems being concentrated at the end of the process: what can the



Baka el-Gharbieh, a village of 12,000.

(Aliza Auerbach)

Arab graduates of an Israeli high school, which is getting better and better, do with their education as they enter life in the Israel of the 1980s?

In the achievement column is the upgrading of the level of the teachers: Of the 113 teachers (including only 17 women) nearly all in the junior division were fully qualified and in the upper high school the vast majority had university degrees, some had MAs and two were working on their doctorates. Jamil adds that there are signs of a decline in the motivation of some of the new teachers. "Originally, all those who went into teaching were very dedicated. But more recently there are those entering the field primarily because they have problems in finding other jobs which are considered

of a higher status and pay better. The result is that among some of them the motivation and sense of dedication have definitely declined."

As to the students, their performance on the *bagrut* matriculation exams is as high as or higher than the nation-wide average and the drop-out problem seems to have been beaten. "Of the 326 students who finished ninth grade last year (the end of junior high school) 320 signed up for tenth grade," Jamil told me.

THE PROBLEMS lie primarily in the occupational reality that lies in wait for the young Arab graduates. Many jobs are closed to them for real or spurious security reasons. "Our students know what the limitations are. They don't aspire to become pilots and they have had it drilled

into them that their chances of getting jobs in such fields as electrical or chemical engineering, which are largely defence-linked, are close to nil. But they don't want to become teachers, which was the solution for our generation," Jamil told me.

He prides himself that, in cooperation with the local Baka council and with the Ministry of Education, he has succeeded in introducing a large number of vocational courses into the school's curriculum. "We've brought in computer studies, which attract many students, mechanics, architecture and construction and the like. They account today for about 50 per cent of our students."

"Many still want to become physicians, but it's very hard to be accepted by Israel's four medical schools, and many of our young men have gone abroad to study medicine and dentistry, primarily in Italy and the Communist bloc countries. Many would like to become lawyers, but that's just as hard to get into."

"My son is finishing 12th grade this year and he was taking the architecture courses. He would like to study civil engineering at the Technion, but it's hard to make it into that institution. Maybe he'll study in Germany. We're still undecided. My daughter is in 10th grade and she's taking computers."

Jamil and the other teachers I spoke to were unanimous on the extent to which Arab parents were ready to sacrifice for the education of their children. There are scores from the village who are studying abroad, where my sources said as an example that it costs about \$300 a month to keep a son in Romania. But that, they said, was not much more than it cost to put a child through university in Israel. Many parents also sold plots of land to finance their sons' education.

In my eyes, but apparently not in those of my Arab sources, the most serious problem I was made aware of was that of the girls. Their high school education prepared them for nothing. Some were being trained as seamstresses, and more recently as aides to kindergarten teachers. Only a very small minority of the girls were being encouraged to go on into higher education and professional careers.

The Middle East page is edited by Yehuda Litani

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MARKET PLACE

AVI TEMKIN

Taxing problems

Two years ago, when inflation ran at an annual pace of 800 per cent, the tax system broke down. For months, until the middle of 1985, the tax burden fell almost entirely on the shoulders of the wage earner. Now, thanks to price stability and legislative changes, the Income Tax Division is being resurrected.

With the tax coffers being filled much more rapidly than was originally planned, the tax men feel much more relaxed about the world. The inflation rate is no longer eroding the tax payments of the self-employed and of the corporations while the legislation connected with the Steinberg Commission has closed large tax loopholes. As a result tax revenue has increased by 4 per cent over last year's levels, even though the tax burden on wage earners has been reduced.

The self-employed and corporations will soon discover that the new relaxed attitude will benefit them. Assessors have been instructed to audit only 15 per cent of the tax returns they receive, on the basis of the trust they have with the companies and the self-employed they deal with.

Unfortunately, the same relaxed attitude is not evident when it comes to the taxes that are especially burdensome to lower- and middle-income wage earners. The 3 per cent tax on automobiles imposed last year by the Treasury turned out to be 6 or even 8 per cent in the case of old and cheap cars, and 2 per cent in the case of new, expensive models. Tax Commissioner Yair Rabinovitch attributes the distortion to the fact that the levy was set at a sum of money, not a rate. Since the value of cars changed, while the levy sum remained stable, the 3 per cent tax lost its meaning.

Now the government is asking the Knesset Finance Committee to extend the levy one more year. Rabinovitch could have used the opportunity to remove the distortions. Instead, all the government decided was that car owners would pay half of the sums they paid last year.

Another burden is the travel tax, which was supposed to be \$100. Since it was linked to the Consumer Price Index, not to the dollar, however, it has increased to \$120 in the last few months.

Rabinovitch has much to thank for economic stability. His predecessor Dov Neiger fought a losing battle; he can now appear as a successful director of a Treasury division no longer looking for justification for dwindling incomes, but for ways to reduce the tax burden. The reduction in the average tax rate for wage earners was his first accomplishment. His next should be a reduction in the travel tax and a more rational levy on private cars.

DEBTS.—The U.S. last year became the world's most heavily indebted nation, ahead of Brazil and Mexico, the U.S. Commerce Department confirmed yesterday. The department said that at the end of 1985 foreign funds in the U.S. amounted to 107.4 billion more than total U.S. funds placed abroad.

Histadrut, employers far apart on wage pact

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Complete disagreement between the Histadrut and the manufacturers marked the opening of the negotiations over a new wage agreement for the private sector yesterday.

The Histadrut's Trade Union Department chairman, Haim Haberfeld, said the main bone of contention is the Histadrut's demand for moderate wage raises, which the manufacturers reject categorically.

The Histadrut is demanding an increase in the lower pay brackets to 50 per cent of the national average wage, as well as to compensate all workers for the erosion in wages in the past year due to inflation. The compensation should be about 10

per cent, the Histadrut maintains. Manufacturers representative Avi Philosoph contended that any kind of wage hike would endanger the economic stability and may speed up the inflation. He noted that the cost-of-living allowance agreement automatically takes care of the workers' wage erosion.

The manufacturers are also demanding the appointment of a committee to examine ways of increasing productivity, which is relatively low in Israel compared with other developed countries, and another panel to examine discipline in industrial plants.

The talks ended with both sides refusing to budge from their positions. No date for renewing the talks was set.

BUSINESS BRIEFS

Diamond congress opens next week

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Diamond tycoons Harry Oppenheimer and Julian Thompson will be among the 400 leading figures in the world diamond industry to attend the 23rd World Diamond Congress, in Israel next week. Among the events scheduled is the dedication of the Harry Oppenheimer Diamond Museum at the Ramat Gan Diamond Exchange.

Moshe Schmitzer, president of the Israel Diamond Exchange, told a press conference yesterday that the country's diamond exports are expected to grow 35 per cent this year from 1985 to 1.5 billion. Schmitzer said that with traditional markets like the U.S. and Japan relatively saturated, the industry is looking to develop new markets, notably China and the Soviet Union.

AUTHORIZED EXPORTER certificates were awarded Monday by Industry and Trade Minister Ariel Sharon at a ceremony marking Export Day in Netivot.

Among the new authorized exporters named were Kibbutz Amir's Amir Paper Products, with 1985 overseas sales of \$1.04 million; Ofis Textile Ltd., with 1985 exports of \$1.7m; and G. Shiposh Engineering Works Ltd., with exports of \$2.2m.

SKISERS PLYING Mount Hermon next winter need not worry that this summer's drought will reduce the amount of snow on the slopes, thanks to the snow-making machinery purchased recently by the slope's managers.

The imported machinery will be able to fill bald spots on the slope.

FULL INQUIRY (Continued from Page One) two inquiries — the Zorea Commission and the Blattman investigation — and the GSS internal disciplinary court.

Zorea did not instruct the police to investigate the actual killings. If the ministers and Harish opt for a full-scale commission of inquiry, they will have to define the terms of reference of the investigation, possibly triggering disputes.

An advantage of a commission of inquiry is that such a body, composed of eminent figures, would have the moral authority, not only to mount a convincing investigation, but also to hand down a general "code of behaviour" for the Shin Bet in the future.

The police would not be asked to write such a code. But sources in Jerusalem said that "there is no urgency on this score. Such a code of behaviour could be formulated by an eminent figure appointed by the prime minister in the coming months."

The sources said that both a police

To qualify as an Authorized Exporter, a firm must export sales of at least \$250,000 in the previous year, or \$1.5m. in the case of diamond exporters. *Michael Yudelman*

THE PRICE OF WATER was accidentally set too high last year and should now be brought down to its proper level, Deputy Agriculture Minister Avraham Katz-Oz told *The Jerusalem Post* yesterday.

"Because of some sort of bureaucratic mistake at the start of the economic stabilization programme in July 1985, the price was accidentally raised from nine cents a cubic metre to 10 cents," Katz-Oz recalled.

FREIGHT CHARGES on most goods shipped into and out of Israel have been cut 3 to 4 per cent because of declining fuel prices, the Shippers' Council said in Haifa Sunday.

The council, which represents the country's importers and exporters, said the shipping companies had agreed to the reduction on all routes between Israel and Europe, Africa and the Far East.

SKISERS PLYING Mount Hermon next winter need not worry that this summer's drought will reduce the amount of snow on the slopes, thanks to the snow-making machinery purchased recently by the slope's managers.

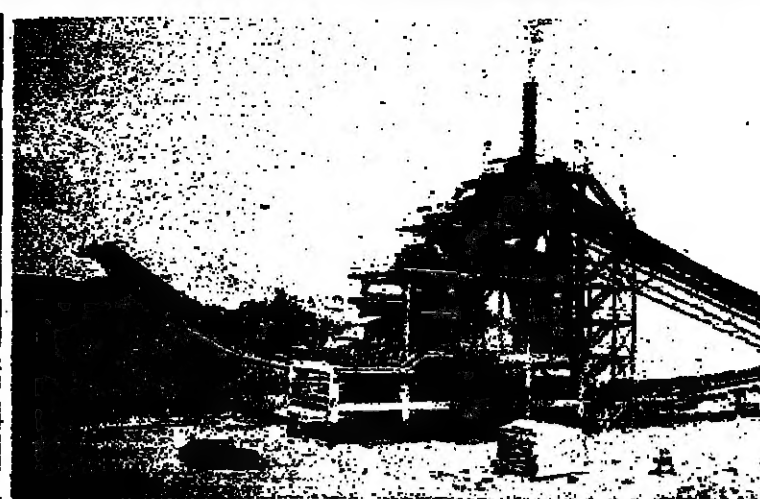
The imported machinery will be able to fill bald spots on the slope.

FULL INQUIRY (Continued from Page One) investigation and a commission of inquiry could, if necessary, probe "the role of the political echelon" in the affair. Both would "go where the investigation leads, however high," the sources said.

Before Peres, Shamir (who returned early from a visit to France to be able to attend the meeting), Modai and Rabin met yesterday evening. Peres held a consultative meeting with Energy Minister Moshe Shalev and Communications Minister Amnon Rubinfeld, the prime minister's two unofficial legal advisers.

At one point, last night's meeting was joined by lawyer Ram Caspi, who represents Shin Bet chief Shalom.

Around midnight the Shin Bet chief was reportedly invited to join the meeting himself.



The Negev Phosphates crushing plant at Zin: A group of Arad residents oppose building a similar facility near their town. (Barak)

Battle over Arad phosphates plant

By MICHAEL YUDELMAN
Jerusalem Post Reporter

ARAD. — The new phosphate plant planned near Arad will cause clouds of dust and poisonous materials to cover the town and ruin its unique ecological qualities, Perez Treitel, chairman of Arad's Ecological Preservation Society's steering committee, told *The Jerusalem Post*.

The society, backed by groups of Arad residents, Monday launched a campaign against the plant, which is being built by the Negev Phosphates Ltd., a unit of Israel Chemicals Company.

Treitel, an urban planner who helped lay out the master plan for Arad when he worked in the Interior Ministry, charged that the data provided by Negev Phosphates on the number of jobs to be created by the plant are misleading.

According to a company estimate published about a year ago, the plant, which is slated to be built over the huge phosphate reserves on the town's southwest border, would provide 2,700 jobs and bring some 8,000 residents to Arad. Negev Phosphates said at the time the plant could generate \$4.7 billion in exports.

Earlier this week, the company reportedly said the plant would provide only 1,000 jobs. To reduce the problem of air pollution, the company said it planned to plant trees in the area. No company spokesman was available yesterday to confirm the reports.

Treitel, responding to the reports,

said: "The means they suggest...are nonsense. The number of new workers they claim the plant will bring is a lie. The plant may bring the government money, but Arad's clean air—a haven for asthmatics the world over and its attraction as a health spa—will go down the drain."

Planting trees to stop the clouds of dust and pollution is unrealistic and ineffective, apart from the fact that there is no room for a park between Arad and the plant, Treitel said.

He noted that the three phosphate plants already operating in the Negev—Ron, Nahal Zim and Rotem—employ some 1,000 workers. He said the new plant, which will be fully automated, will employ much fewer. "Besides, most of the physical labourers will be Beduin. Jews want to work in an office, not outside in the sun. So the project won't increase the town's population," he alleged.

Arad Council Chairman Avraham Shohat said Monday that the plant proposal is still under study and has not yet been approved by any of the construction committees. He said a committee of experts has been contracted by the council to examine the dangers inherent in a new phosphate plant.

Shohat insisted that he would not allow any project that endangers Arad's unique ecological qualities. He added that some data included in the Negev Phosphates survey were unclear, questionable or exaggerated, such as the number of workers the plant would bring to Arad.

HOSPITALS

(Continued from Page One)

The Knesset Labour and Welfare Committee, which met for an emotional and often testy marathon session yesterday with all the parties involved, again called on the government to start immediate negotiations with the nurses.

Hillel Dudai, director of wage and labour agreements at the Treasury who was present at the Knesset committee meeting yesterday, sharply attacked the committee in an interview with *The Post* last night. "They are adding insult to injury," he said. "Not only are they backing an illegal action, they are encouraging other groups to do the same."

"The nurses have illegally rejected an arbitrator's decision, which has been authorized by a labour court. They should have told the nurses to go back to work instead of promoting

their actions." Dudai was referring to an arbitrator's decision taken two weeks ago to give all nurses a 12 per cent pay rise.

Dudai also discounted reports of a possible reexamination of Sunday's cabinet decision not to open separate wage talks with the nurses. "I do not believe that the prime minister would assume such a responsibility," he said, adding: "It would bring about the collapse of the wage negotiations and would seriously damage the economy."

Aryeh Rubinstein adds: Health Minister Mordechai Gur yesterday gave the Knesset his estimate that by today "a step forward" will have been taken towards settling the nurses' strike. He was replying to a no-confidence motion by Tzvi Tzvi (Democratic Front for Peace and Equality).

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	115.80	-0.53%
Non-Bank Index	131.39	-2.26%
Arrangement	108.70	-0.04%
Insurance	147.83	-2.88%
Commerce, Services	154.55	-1.87%
Real Estate	158.91	-1.37%
Industrials	120.20	-2.61%
Textiles	144.90	-2.29%
Metals	111.12	-3.38%
Electronics	96.10	-2.31%
Chemicals	122.36	-2.60%
Industrial Invest.	113.81	-2.23%
Investment Cos.	132.39	-2.40%
General Bond Index	108.57	-0.19%
Index-linked Bonds	110.78	-0.02%
Fully-linked	112.51	+0.04%
Partially-linked	109.59	-0.08%
Medium-term 0-2 yrs	100.24	-0.55%
Medium-term 2-5 yrs	105.80	-0.16%
Long-term 5+ yrs	107.37	-0.22%

Turnovers:

Shares—total	NIS 5,695,500
Arrangement	NIS 1,237,700
Bonds—total	NIS 6,536,100
Index-linked	—
Dollar-linked	—
Treasury Bills	NIS 6,033,900
Share Movements:	
Advances	44 (90)
of which 5%+	8 (7)
"buyers only"	1 (2)
Declines	233 (168)
of which 5%+	54 (33)
"sellers only"	4 (0)
Unchanged	87 (100)
Trading Halt	58 (64)

Bond Market Trends:

Index-linked	3% fully-linked	Rises to 0.5%
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SELECTED PRICE QUOTATIONS

Commercial Banks

Name	Price	Volume	%
Maritime 1	1065	754	—
General non-arr.	25550	80	-2.8
First Int'l	3440	2827	-1.7
PIB	3655	3048	-1.3

Commercial Banks (part of "arrangement")

JDB	52800	307	—
Unifon 0.1	51800	27	-0.5
Discount	105200	27	-1.1
Mizrahi	94183	170	+0.0
Hapoalim r	58245	498	—
General A	144489	31	-0.0
Leumi 0.1	35680	1033	—
Fin. Trade	48900	—	—

Mortgage Banks

Leumi Mort. r	4680	75	-1.1
Dev. Mort.	1380	1286	-2.5
Mishkan r	2100	487	-7.0
Tefehot r	12809	46	-0.8
Mervar r	4600	167	-8.3

Financial Institutions

Agric. C.	41780	55	-27.7
Ind. Dev. CD	66115	—	—
Chl. Leasing 0.1	10960	22	—

Insurance

Avrat 0.1 r	830	1541	-7.7
Hasanah r	475	12763	-2.1
Phoenix 0.1	630	1943	-10.0
Hamishmer	8700	50	-1.5
Memorah 1	7000	—	—
Sahar	4075	75	-5.6
Zion Hold. 1	16300	11	-0.6

Trade & Services

Melr Extra	4650	25	-4.1
Superior 2	4780	898	-1.4
Delek r	2770	4274	-2.8
Lightage	no trading	—	—
Cold Storage	no trading	—	—
Dan Hotels	3650	249	-2.0
Yarden Hotel	3170	252	-8.5
Hilon 1	10345	s.o.1	-5.0
Team 1	1840	300	+1.0

Real Estate, Building and Agriculture

Azorim	585	6898	-2.5
Elion	348	7647	+2.1
Africa Int. 0.1	32700	68	-0.9
Dankner	3788	195	-5.0
Prop. & Bldg.	2630	3243	—
Beit 0.1	2600	109	-2.5
ILDC	47000	224	-1.7
Ressac r	6300	114	-7.4
Mehadrin	6900	500	-1.4
Hederim	1090	2278	-2.5

Industrials

Dubek b	3250	263	-0.3
Priz-2	2200	529	-7.9
Sunfront	7600	70	-1.3
Elite	12600	72	-5.3
Adgar	875	748	-2.8
Arganion r	11800	211	-1.7
Delta G 1	3150	419	-0.9
Maquette 1	22400	85	—
Eagle 1	11760	71	-3.3
Polgat 0.5	7600	116	-3.0
Schneider	no trading	—	—
Rogovin	3530	271	-4.6
Urden 0.1 r	9100	164	-8.0
It. Can Co. 1	1100	898	-0.9
Zion Cables	2145	187	-0.9
Pekel Steel	6950	125	-8.2
Elb 3 r	418000	37	-2.5

Elron

Elron	319000	3	-0.9
Airt	27000	147	-3.7
Clai Electronics	2110	3181	-2.3
Spektron 1	1355	802	-8.1
T.A.T. 1	4200	174	-2.3
Ackerstein 1	1400	485	-4.8
Agan 5	19500	306	-1.5
Alliance	1709	s.o.1	-5.0
Doxer	3355	125	—
Fertilizers	6300	59	—
Haifa Chem.	753	3403	-4.0
Tova r	50300	166	-4.6
Dead Sea r	14820	1233	-2.0
Nitrochem.	505	4405	-0.2
Neve Chem.	5250	105	-2.1
Frutaron	6700	23	-8.2
Hadera Paper	198500	80	-3.2
Central Trade	6230	281	-3.1
Koor p	495000	0.1	-0.2
Clai Inds.	1293	7159	-2.0

Investment Companies

IDB Dev. r	3600	4872	-1.4
Ellem	2550	588	-2.3
Ark 1	no trading	—	—
Gahelet	1280	43	-4.4
Israel Corp. 1	no trading	—	—
Wolfson 1 r	106000	—	—
Hapoalim Inv.	4880	511	-2.5
Leumi Invest.	no trading	—	—
Discount Invest.	6311	—	-0.5
Mizrahi Invest.	14900	72	-7.2
Clai 10	730	3309	-4.5
Lendeco 0.1	8000	19	-8.6
Pama 0.1	9500	191	-5.0

Oil Exploration

Pez Oil Expl.	12600	89	-1.6
J.O.E.L.	1450	899	-1.4

Abbreviations:

s.o. sellers only	b buyer
b.o. buyers only	r registered

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS June 24, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	24.5	7-15%	8-16.75%	8-16.75%
HAPOLIM	18.6	8-13%	10-13.25%	10-14%
DISCOUNT	5.6	7-12%	7-12%	7-14%
MIZRAHI	8.5	8-15%	8-15%	8-17%
FIRST INT'L	3.6	6-13%	7-13%	6-13%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of June 24)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	6.375	6.375	6.375
STG	5.875	5.875	5.875
SFR	5.000	4.625	4.500
YEN	3.125	3.125	3.125

Rates vary according to size of deposit and are subject to change.

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Violence's fellow travellers

"THE POLICE are able to contend with the problem of *haredi* violence so long as it is confined to fringe groups in society," Police Minister Haim Bar-Lev said on Sunday. "But when the norm of civil disobedience spreads far and wide beyond the fringe, the police alone cannot solve the problem."

Truer words could not have been said. But Mr. Bar-Lev might usefully have added that civil disobedience tends to become a wider norm when the political establishment chooses to appease its original practitioners out of deference to groups just outside the fringe, that feel obliged to protect the violators of law while themselves playing the political balancing game. It is the police minister, of all cabinet members, who might have recalled that seemingly endless stoning on Jerusalem's Ramot Road by Neturei Karta volunteers was finally halted when the police were permitted to storm the Mea She'arim yeshiva which had served as an operational base for the rock throwers.

Mea She'arim is exceedingly hard for the police to keep under control and surveillance. The ultra-Orthodox community that calls this quarter not only its home, but in effect, its mini-state, distinct from the State of Israel it does not deign to recognize, is almost hermetically closed to snooping outsiders. That is the reason, too, why its denizens, as Income Tax Commissioner Yair Rabinovich explained yesterday, fail to pay the income tax due from them.

The trouble is that the authorities do not as a rule consider it worth their while to enforce the law in the face of Mea She'arim communal defiance. Raise a police club over *haredi* rioters, and hundreds or thousands of like-minded Israel-hating Jews will rush to the streets in New York to protest the "Zionist inhumanity." More important, Agudat Yisrael and Shas will hasten to place themselves between the law-breakers and the forces of law and order, and even pull along with them some Zionist NRP stalwarts.

The religious militants who challenge the police after they have sprayed or torched "offensive" advertising posters, and set fire to trash cans, are not the real danger to the public peace. The true danger is represented by those who do not relish the violence yet protect and justify the violators. In doing so they take aim at constituted authority, in some cases deliberately.

And when constituted authority shows itself systematically reluctant to lay down the law to the extremists—in part because they are considered "idealists" who only rampage "for the sake of Heaven"—it places the toppling of Israel's secular democracy sooner or later within the realm of the possible.

A classic example of *haredi* appeasement was offered yesterday by the chairman of the Knesset Interior Committee, Dov Shilansky.

Mr. Shilansky's original intention was to take the entire committee on a tour of Mea She'arim, rather on the model of their visit to the Temple Mount last January. On that famous occasion Mr. Shilansky generously allowed some right-wing non-committee members to participate, and it was they who caused most of the furore that ensued at the holy site. This time the chairman chose to limit participation to members of the committee, thus keeping out interested left-wing parliamentarians who are especially anathema to the *haredim*.

This did not, however, mollify the leaders of the community, who pledged a violently hostile reaction if the committee arrived. Taking the threat seriously, the police insisted on escorting the Knesset visitors. The tender-hearted Mr. Shilansky decided that this would be needlessly provocative: he called the official committee off, and went more-or-less privately with two Likud colleagues and a Morasha deputy after clearing the plan with local yeshiva heads.

The quarter's safety was thus assured without the aid of the police, even though an ugly little demonstration against them could not be prevented. But in the process it was made certain that Mea She'arim would be fortified in its conviction that, unlike the Temple Mount, it is in no meaningful sense a part of the State of Israel—and that Israel's vaunted civil power could easily be bent by a concerted campaign, or even a threat, of civil disobedience.

Penalizing new immigrants

THE TRAVEL tax—currently set at \$100 per person—is a serious obstacle for many Israelis considering trips abroad, especially when it is added to the 20 per cent surcharge on the price of air tickets and ground services, and the 15 per cent impost on the foreign currency a traveller is allowed to take out. And that is the purpose: not so much to raise revenue as to dissuade Israelis from going abroad. It is no wonder that many intending travellers have as a result cancelled overseas tourism plans.

Their number includes more than a few immigrants still holding foreign passports, and even temporary residents, who now find it difficult to visit family members in their countries of origin. They have not, however, mounted the barricades with a demand for an abolition of the tax, for they realize that the success of the policy of economic recovery has its cost.

These understanding Israelis will not easily fathom a Knesset move to pass a private member's bill approved by the Finance Committee for its regular first reading on Monday, that would exempt Israelis resident abroad from the travel tax. The declared purpose of the bill, sponsored by Liberal deputy Uriel Lynn, is to promote tourism to Israel—which, needless to say, is the province of Mr. Lynn's party colleague, Tourism Minister Avraham Shafir.

Mr. Lynn told the committee that the number of Israelis abroad who visited the country last year was a mere 30,000, whereas in previous years as many as 80,000 would come. The reason for this precipitous fall, he reasoned, was the travel tax.

Right. But which travel tax? Mr. Lynn neglected to observe, and the committee evidently did not recall, that the travel tax last summer—between the months of June and November to be exact—had been set at triple the present amount of \$100. The much reduced figure, too, may arguably be too high at a time when the country's foreign currency reserves have been significantly improved. A good case may, therefore, be made for the total abolition of the tax, which was originally pegged to the distance travelled.

But no such case can be made for favouring long-time *yordim* who may still fondly keep their Israeli passports but wish to visit their parents in Jerusalem, over recent immigrants to Israel who are also anxious to see their folks in the old country.

Rank discrimination of this sort may net the Treasury a few extra dollars, but it will not bring any *yordim* back home. Instead it only penalizes those who choose to live here. It may even act as an incentive for new immigrants to go back where they came from. This, at a time when the prospects for aliya are the worst ever in the state's history.

POSTSCRIPTS

IF YOU don't trust anybody but yourself, at least when it comes to Aids, you can store your own blood for future use. An American Jewish weekly carried an advertisement recently for the National Frozen Blood Repository Corporation in Manhasset, New York, which stores your blood

until you need a transfusion. The company promises that one's blood is "monitored 24 hours a day—365 days a year" (including, presumably, Yom Kippur) and available quickly upon notice. Every client gets a repository card with his "account number" and blood type listed.

J.S.I.

Recanati takes on the government

MACABEE DEAN

I WOULD like to raise one lone (non-banking) voice—which I hope will be joined by others—defending Rafael Recanati's refusal to resign as head of the Discount Bank as recommended by the Bejski Commission.

Recanati, and those heads of the Leumi, Hapoalim and Mizrahi banks who did resign, are certainly far from being saints, but they are still further from being the devils which the Israeli public—never known for its emotional stability—now wants to exorcise in a hysterical lynch mood.

Several lines of defence can be raised to support Recanati. Firstly, every person is (theoretically) entitled to a trial by due process of law, plus the right of appeal. The banks were denied this right. The Bejski Commission was set up because no law existed under which to charge and try the bankers for regulating the bank shares. It made "recommendations," and nothing more, even though it was understood that the government would try to enforce them as if they were law. But they were not, and passing a retroactive law sets a dangerous precedent, even if justified in this particular case.

Secondly, the banks regulated their shares with at least the tacit consent, if not the support, of both the Alignment and Likud administrations. And claiming that the Finance Ministry (Bank of Israel, etc.) could not control the banks' activities is an ineffective smokescreen. Either the government ran the country, or the banks did.

Where were all those wise Knesset members during those years? As long as the regulation situation was rosy, they kept their mouths shut. When the regulation "bubble"

burst, these same Knesset members needed a scapegoat to feed to the public to hide their own incompetence.

Regulation was part of this country's "system," where nearly everything is part of, and constrained by, one huge interlocking government-directed financial and economic structure. (Labyrinth might be a better word.)

DOES ANYONE recall the Likud promises of 1977 to change the "system," to "de-governmentize" the capital markets; to restrict the government's activities, thus reducing the size of the controlled economy?

But the Likud quickly saw that a free economy in Israel was impossible; and it switched its energies to replacing Alignment adherents with Likudniks in key positions in government companies. This led to a cry of "political patronage" by the Alignment which initiated this procedure decades ago.

To raise capital needed for their expanding activities in an expanding economy, the banks had to float issues in a government-dominated capital market. And they had to offer better terms than the government's index-linked securities. The government failed to intervene even when the banks grossly lost their sense of proportion, allowing the price of the bank shares to greatly outpace their approximate real value. This was the great sin of the banks, not the regulation. For if regulation is so terrible, why does

the government regulate its index-linked bonds?

The case of the First International Bank has been frequently presented as a bank which did not regulate its shares. But this is misleading. First International did not need to regulate; a relatively small bank, it took the ingenious step of simply hitching a ride on the general market situation. It received all the benefits, and took none of the risks, and subsequent condemnation.

THE GOVERNMENT should concentrate its energy not so much on trying to punish those who made mistakes in the past due to the "system trap," but on aiming to prevent any threatening future crisis. For example, it should restrict the conflict-of-interest "supermarket" activities of the banks, such as their investment advisers, investment portfolio managers, investment companies, as well as their floating issues, running provident and pension funds, and insurance companies, and so on.

Perhaps some of the public was badly "ripped off" due to the crash of the commercial bank shares; but it will be only a minor episode if the next crash encompasses, let us say, the pension funds. They are almost totally nationalized—i.e., they must invest nearly all their funds in government-approved index-linked bonds.

These index-linked bonds are said to be just as firm as the Rock of Gibraltar, a comparison once made with the commercial bank shares.

The writer is a member of the editorial staff of The Jerusalem Post.

Jewish cultural illiterates

STANLEY RINGLER

FEAR of terrorism and the misplaced hysteria about the alleged danger of travel to and in Israel have deeply affected the work done by those who seek to bring Jewish youth here. The plummeting numbers of young Jews expected to visit Israel on both summer programmes and within the framework of university year-abroad study programmes is a source of great concern.

But the fact is that there has been a perceptible decline in the number of participants in youth programmes for the last decade. This is a process which in many ways has paralleled the general decline in immigration from Western countries.

One reason for the decline in numbers is the ideological and psychological distance between the Diaspora and the Zionist world. Equally important is the change in American society over the past several decades. As much as America has changed so has American Jewish youth. Indeed, among the estimated 400,000 or so college-aged Jewish youngsters in America, the signs of change are both distinctive and disturbing. And while the changes are not unique to Jewish students, they do have important implications for the Jewish community. The quality and character of Jewish identity and Zionist commitment can be significantly affected by what happens in the life of a student during his or her college years.

The popular view of college students in the U.S. is typified by the generalization that "15 years ago, the nation's youth was going to pot, now they are going to the bank." What many observers of the college generation in America have noted is that there has been a significant change in its values and aspirations. Thus, due to the successful assimilation of American Jewry there are hardly any distinguishing social differences between Jewish and non-Jewish university students. The diminution of idealism among American young people and its displacement by a preoccupation with materialism is a universal American phenomenon.

IN the America of the last quarter of the 20th century, the quest after the American dream has become more intense. This can be attributed at least in part to the real decline of the middle class. Opportunities in white collar professional fields traditionally considered to be the key to success and affluence have diminished while, at the same time, there has been a substantial increase in the number of people competing for positions. Concurrent to this is the fact that the financial rewards which in the past were conferred upon successful achievers in such fields as that of law and medicine are no longer so readily attainable. These factors have resulted in an intensely competitive generation of college-educated Americans.

It is no longer the exception to the rule for a Jewish student to be burdened with sharing in the expense of his or her college education. This has resulted in a significant time commitment during the academic year and usually a full-time commitment to work during vacations. The consequence of this has been the severe

reduction in the amount of discretionary time available for extracurricular activities. These include social, cultural, political and even religious activities. Obviously, there are important implications for those who seek to command the involvement of Jewish students in Jewish and Zionist activities, including travel programmes to Israel. Simply put, in the current social and economic climate, we have few opportunities to influence Jewish college students.

Jewish students are subjected to enormous pressures to achieve high grades and test scores in order to better compete for a place in those fields seen as providing the best opportunity for material success. This same set of circumstances has resulted in the growing phenomenon of students studying for degrees in areas of little or no interest to them.

They do so apparently out of the belief that material success and security are attainable only within certain professional fields and within certain sectors of the economy. All of this has resulted in a very high degree of social dissonance on campus. Students live and work under conditions which produce psychological tension and spiritual despair.

The condition of the student is only exacerbated by the system of higher education. Today, university education is increasingly compartmentalized. Fewer and fewer students receive a meaningful exposure to the humanities and social sciences. They are not expected to learn a foreign language or to master basic knowledge of history, politics or world affairs. Expertise is admired over general knowledge, and the acquisition of useful skills is considered more important than the achievement of a level of cultural literacy.

Indeed, a recent study by the National Endowment for the Humanities concluded that "most college

students graduate knowing little of their heritage—the history, literature, philosophy and the ideas and practices that have shaped the society they enter." The report also reveals that a student can obtain a bachelor's degree from 75 per cent of all American colleges and universities without having studied European history; 72 per cent without having studied American literature and history; and 86 per cent without having studied the civilization of classical Greece or Rome.

In this regard the Jewish student differs little from the non-Jew. Perhaps if Jewish young people were to come to the campus with more "Jewish baggage" there would be a difference. But today over 70 per cent of Jewish college students come to campus without any formal Jewish education or experience. They know little about Zionism, Israel and world Jewry and less about Jewish history and thought.

The emergence of a generation of Jewish cultural illiterates who are socially unconnected with the Jewish people and State is a catastrophe of the highest order. It requires a thoughtful re-evaluation of the kind of Zionist and Jewish work we are doing and of the language and instruments we employ. We would do well to give the matter of our future serious thought. The primary source of potential Western aliyah may otherwise be lost to us.

The writer is a rabbi and director of the Hillel Directors' Conference being held in Jerusalem.

Dry Bones



READERS' LETTERS

CAR TAX FOR TOURISTS

To the Editor of The Jerusalem Post Sir—As a tourist with accompanying automobile, I was both surprised and upset when, as required by law, I went to renew my automobile licence after six months and was asked to pay the special property tax which, in my case, amounted to approximately NIS 1,400.

I paid the tax, then undertook a review of the matter. My investigations revealed that the law (No. 1146) is being applied illegally to tourists. After considerable effort and with the kind assistance of Zeev Feldman, the Deputy Commissioner of Income Tax, I obtained a refund.

Unfortunately, the Licensing Office continues to collect the tax illegally from tourists on behalf of the Income Tax Department.

Hopefully your readers who have paid the tax can apply to Mr. Feldman for a refund, or if required to pay before their departure, can apply for an exemption (as did one of my friends).

The whole bureaucratic exercise was one of frustration, as all tourists must, under the terms of entry, export their automobiles within one year and are forbidden to sell them in Israel.

Why then, the desire by the government to arbitrarily misapply the statute? The answer given was that some tourists could abuse their privilege and unduly extend their tourist status for more than one year.

STEPHEN FREEDHOFF

Haifa.

INSECTICIDES

To the Editor of The Jerusalem Post Sir—Martha Meisels' interesting article of May 30, "Killer instinct," has prompted me to reply to a number of inaccuracies relating to bioallethrin.

In the first instance, this substance is not obtained from a plant grown in Kenya but was initially synthesized in 1949. Bioallethrin is an example of a number of commercially available insecticides known as pyrethroids.

Dr. B. CRAMMER,

C. Chem., MRCS

Jerusalem.

Martha Meisels comments:

My information, apparently inaccurate, came from a commercial importer of the anti-mosquito tablets containing bioallethrin.

THE HOLOCAUST AND ISRAEL

To the Editor of The Jerusalem Post Sir—The academic debate between Prof. George Steiner and Haim Guri reminds me of the question "which came first—the chicken or the egg?" ("Did the Nazi Holocaust help create the state?"—June 31).

As a citizen who has lived through the late 1930s and 1940s to the creation of the State of Israel, I feel there can be no doubt that in 1947, before the United Nations partition decision, there already existed *de facto* the nucleus of a state and it was only a question of time as to when it would be officially established.

On the other hand, there is hardly a doubt about the fact that the Holocaust accelerated the entire process, not so much within the United Nations but because it helped the Jewish leadership to make its own final decision and overcome its own doubts about the necessity to establish a Jewish State.

Too much emphasis should not be placed on the factor of the Holocaust in the creation of the state. As a matter of fact, the PLO is using this argument by saying that the Jewish are in debt to the Germans for helping to create the state. This, of course, is ridiculous, but it is used against the Germans in Germany as well.

REUVEN ASSOR

Jerusalem.

SAFE VISIT

To the Editor of The Jerusalem Post Sir—I return to the U.S. this week after a glorious, exciting and safe visit to Israel. My purpose in coming was to learn more about your state. My mission has been achieved through Elderhostel programmes at the Hebrew, Ben-Gurion and Haifa universities. The warmth and friendliness of your people has added to my education.

My goal on my return home will be to share these experiences and to convince my Jewish community that not only is Israel a safe and wonderful place, but also that in delaying their visits, they are doing what terrorists would want them to do. I shall miss the pleasure of my daily Jerusalem Post. I will have to be content with keeping informed through your overseas edition.

DAVID S. BAUMSTEIN

Jerusalem (Boca Raton).

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